

October 31, 2022

To: We Will Chicago
From: Dan Swinney, Manufacturing Renaissance
Re: Economic Development

The current section of We Will Chicago, mentions manufacturing once. We need a Goal 6 focused on re-building our manufacturing sector.

**A Proposed Goal 6 for Economic Development:
Implementing a New Industrial Policy for Chicago: Inclusion & Industry 4.0**

Chicago's was known as the City of Big Shoulders referencing its concentration of manufacturing companies that provided good wages and benefits, and sustained communities in every section of the City. It was this sector that attracted hundreds of thousands of Black workers in the Great Migration. Of course, there was a negative aspect of manufacturing in companies that polluted the air and the land, in companies that pursued anti-labor strategies in the pursuit of profits, and in discrimination against immigrants and communities of color. But overall, residents of Chicago enjoyed a stable and secure livelihood. In the 1960s, manufacturing represented over 25% of Gross Domestic Product (GDP).

Today, according to World Business Chicago, manufacturing represents 11% of GDP—about the same as the West Bank in Palestine. Beginning in the late 1970s and through the 1990s, Chicago lost 4,000 out of 7,000 companies and over 200,000 manufacturing jobs. Chicago's communities were devastated, and none have recovered to this day. Instead, we see high figures of unemployment, poverty, and incarceration—particularly on Chicago's West and South sides. We see a dramatic loss of tax revenue. Residents depend on a weak social safety net for medical services when once they benefited from health insurance paid by the company. Many of our children have no concept of what manufacturing is much less how they might secure a career in this sector.

Many think that manufacturing is dead. Nothing could be further from the truth. It's changed as it has shifted to the use of more advanced technologies requiring a more highly skilled workforce. It has challenges that our City can convert to opportunities. We must retain, redesign, and rebuild our manufacturing sector. Why?

- Manufacturing wages--when you include benefits—are on average, \$85,000 a year. It is the foundation for a broad-based middle class.
- High wages contribute to re-building our city's tax base;
- Each manufacturing job generates 6 other jobs in the economy on average; and
- Work in manufacturing requires skill and knowledge in technology, depends on working effectively in teams, and encourages innovation. Manufacturing builds social capital—essential for our future.

Manufacturing faces challenges that create a huge opportunities, particularly for our communities on the South and West side.

- The Skills Gap: There are over 50,000 jobs in manufacturing going unfilled in our region. Upgrading our education infrastructure linked to manufacturing creates opportunities for our children to have solid and stable careers for life. Without this investment, the children on Chicago's South and West sides will not get the new manufacturing jobs.
- The Succession Challenge: 90% of manufacturing companies have less than 100 employees. In Illinois, 99% of manufacturing companies are owned by Whites—typically men of the baby boom generation. These owners are retiring in the thousands—creating opportunities for employees as well as Black and Latinx entrepreneurs to own manufacturing companies;
- The Climate Emergency: Manufacturing contributed significantly to the climate crisis that threatens our planet. It will be engineers and other employees in manufacturing that will develop the products and processes that will engage and solve the climate emergency;

We will advance and embrace a new industrial policy: Inclusion & Industry 4.0. "Industry 4.0" is the international standard for business that welcomes the use of new technologies like robotics, digitalization, and artificial intelligence among others. We need to fully embrace these technologies to be globally competitive. But we need to invest the same level in "inclusion" to ensure that those who are making the decisions on what technologies to use and for what purpose, have building our communities and companies in mind. We will increase programs like Local Industrial Retention Initiatives (LIRI) to ensure our manufacturers have the support they need to expand and thrive.

The current industrial policy will increase income inequality. Our industrial policy of "Inclusion & Industry 4.0" will build our companies, our communities, our city, our county, our state, and our nation. Chicago, again, will become the City of Big Shoulders as well as the Innovation Capital of the World!